

THE ARAB-ISRAELI CRISIS

I. Current Situation In Palestine

- A. Arab-Israeli tension highest since Israel created in 1948.
- B. Israel using provocative measures and unsatisfactory armistice with Jordan, Syria, Egypt and Lebanon.
 - 1. Exaggerated border incidents, possibly provoked others; executed major military operations against Jordan.
 - 2. Israel wants UN and West compel Arabs make peace.
 - 3. Sharett forced by extremists to endorse limited retaliation.
- C. Arabs convinced Israel trying provoke attack.
 - 1. *Arabs* They show no aim to do so, demand UN punish Israeli aggression and US stop aiding Israel.

2. New Arab Legion policy raises possibility larger actions.

II. Dilemma in the UN

A. Council considering two items: 1) Arab item on Nahhalin incident; 2) Israeli item, ~~supported by West~~ ^{DISCUSSION OF} whole problem, ^{SUPPORTED BY WEST}

B. Dilemma: Arabs will discuss whole issue only if condemnation Nahhalin agreed to by West. Otherwise may still walk out. UN action expected Thursday. Condemnation would strengthen Israeli extremists.

III. Prospects

A. No indication UN action will help.

B. Failure may force Sharett to more extreme policy or his replacement by ex-prime minister Ben Gurion. With ^{CHIEF OF STAFF} Lavon and ^{CHIEF OF STAFF} Dayan, Ben Gurion favors "treat 'em rough" policy.

DEP. MIN.

C. Such an eventuality could lead Israel